GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1861
ANSWERED ON:09.03.2001
EVASION OF CUSTOMS DUTY
JASWANT SINGH YADAV;SURESH RAMRAO JADHAV (PATIL)

Will the Minister of FINANCE be pleased to state:

(a) Whether the Government are aware that certain telecommunication companies are misusing import duty exemption meant for generic software by importing embedded software under the guise of generic software ;

(b) If so, the details thereof ;

(c) the total amount of embedded software / generic software imported by the cellular and basic service providers and Department of Telecommunications , Bharat Sanchar Nigam Limited during the last three years , year-wise ; and

(d) the fresh steps taken / proposed to check misuse of import duty exemption by the telecom companies ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) : Yes Sir , in a few cases ertain telecommunication companies are found to have imported embedded software under the guise of generic software by manipulating declaration/values, to evade duty . The details of such cases detected in the last 3 years are as follows .

Year	No. of cases	Duty involved [Rs. In Crores]
1998-1999	02	3.64
1999-2000	01	1.39
2000-2001	01	0.73

In one case pertaining to 1998-99, an amount of Rs. 1.48 Crores has been recovered . The other cases are under investigation / appeal .

(c) As embedded software is assessed alongwith the machine / component no separate details of its imports are available . The details of import of generic software are given below :

	No. Assessable	Value [Rs. In Crores]
1998-1999	28	51.74 +
1999-2000	112	62.25
2000-2001	97	103.61

+ Figures are provisional.

(d) The field formations including intelligence agencies of the department are alert to detect any case of attempted misuse of any exemption to evade duty otherwise payable. All import documents and consignments involving various duty exemptions are closely scrutinized and import consignments are selectively examined to guard against any misdeclaration. Strict action is taken against the offenders found misdeclaring and evading duties otherwise leviable .